

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6054**

**BILL NUMBER:** HB 1054

**NOTE PREPARED:** Nov 8, 2007

**BILL AMENDED:**

**SUBJECT:** Coverage for Individuals less than 24 Years of Age.

**FIRST AUTHOR:** Rep. Brown C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a state employee health plan, an accident and sickness insurer, and a health maintenance organization (HMO) to, upon request, provide coverage for certain individuals who are less than 24 years of age. It makes conforming amendments.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** Among other provisions, the bill provides that a state employee health plan must provide coverage of an individual who has or had a blood relationship with the state employee or who is dependent on the policyholder. Because the potential population that has or had a blood relationship with a state employee or that is dependent on the policyholder has the potential to be great, the rate increase that insurers, if they participate, may elect to impose could also be significant. The specific impact is indeterminable.

The increase may not necessarily imply additional budgetary outlays since the state's response to increased health benefit costs may include (1) greater employee cost-sharing in health benefits; (2) reduction or elimination of other health benefits; and (3) passing costs onto workers in the form of lower wage increases than would otherwise occur. It is unknown at this time if the state would absorb added costs or pass the costs on to employees.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** School corporations and local governments purchasing health benefit coverage could incur increased expenditures. The specific impact is indeterminable, but would depend on

current health care coverage. It is unknown if local units would absorb this cost or pass the cost on to employees, as cost sharing of health benefit premiums varies widely by locality.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Local governments and school corporations.

**Information Sources:** Sharon Mukes, Account Service Manager, and Susan Kost, Legal Department, Eyemed Vision Care, 513-765-3888.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.